

# **Biden Orders Halt to Profitable Sunrise Investment Scheme in Delaware**

Wilmington – Attorney General Beau Biden today announced that his office has issued an order prohibiting the operators of an international online investment scheme from selling investments in Delaware. Earlier this month, Biden's Securities Division opened an investigation into a significant internet-based marketing effort soliciting questionable investments in a company called Profitable Sunrise. Through solicitations directed into Delaware and other states, the company claims to generate astronomically high returns on risk-free investments.

"After learning that unlawful solicitations were being made we acted quickly to help prevent consumers from falling prey to this investment scam," Biden said, as he cautioned investors to be on the watch for fraudulent schemes on the internet and elsewhere. "This scam is a reminder to be alert and skeptical of money-making claims that are simply too good to be true. I urge investors who believe they have been the victims of this or other schemes to immediately contact our Investor Hotline at 302-577-8424."

Profitable Sunrise employs a viral internet marketing strategy using websites, webinars, blogs, and YouTube videos to promote itself as a charitable Christian organization dedicated to financing virtuous businesses. It claims that through short-term lending to underserved businesses it generates astronomically high returns on risk-free investments. One Profitable Sunrise webinar promotes a daily return of 2.15%. According to the webinar, a \$200 investment at such a rate would return more than \$7,400 after just 170 days. Moreover, the company encourages investors to market the scheme to

friends and family by offering commissions on any new inductee's investment. With frequent references to biblical scripture, the company appears to be targeting those in the faith-based community.

The founder and owner of Profitable Sunrise, Roman Novak, and Radoslav Novak, his brother and business associate, are based in Birmingham, England. Neither brother is licensed or registered to sell securities in Delaware and none of the investment products they offer are registered in Delaware, as required by state law. One Delaware investor was told his investment went towards a clean water program for impoverished countries, while other investors have been told that Profitable Sunrise makes loans to business in the US. Biden's investigation revealed that at least three Delaware residents invested more than \$3,000 in the company. To date, investigators have been unable to locate a single business recipient of funds raised by Profitable Sunrise, let alone one capable of generating the extraordinary promised returns. The company appears to have little physical presence other than a mailbox in England. A bank account linked to the company traces back to the Czech Republic.

Based on the investigation's preliminary findings, Biden's Securities Commissioner today issued a cease and desist order that prohibits Profitable Sunrise and its affiliates from marketing, issuing, or selling securities in Delaware and taking any other action that violates Delaware Securities Act. Biden's office took the action today in coordination with more than a dozen other state and Canadian securities regulators who have identified Profitable Sunrise and its promoters as posing an immediate threat to the public interest.

Special investigators Kevin Lange and Joseph Trala and Division staff member Timothy Worthington are conducting the investigation for the Securities Division of the Delaware Department of Justice. The Securities Division has civil and

criminal jurisdiction over the sale of securities within the State of Delaware. It acts to prevent the public from being victimized by fraudulent, unscrupulous and overreaching practices by those offering investments and investment services within the state.

The Cease and Desist Order issued today is attached.

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